

### **.03 Required Documentation**

Debtors must provide copies of their Bankruptcy Court documents to begin the Bankruptcy Appeals Process. Income tax returns that have not been filed and are past due must be filed before the Bankruptcy Appeals Process can consider the dispute, if evaluation of the dispute requires their review. The returns may be filed with SPf. The debtor must also present any other documents or information pertinent to the Service's review of the dispute upon beginning the Bankruptcy Appeals Process. Within two workdays of meeting all documentation requirements, SPf will begin its review of the dispute.

## **SECTION 4. PROCESSING A BANKRUPTCY DISPUTE**

### **.01 SPf Procedures**

SPf will complete its initial review within ten workdays. Additional time will be provided, when necessary, if SPf must request documents from within the Service (such as a return) or ask the debtor to provide additional documentation. The IRS may cease processing the debtor's dispute if the debtor fails to provide necessary documentation. If the IRS ceases case processing because the debtor failed to provide necessary documentation, the debtor may begin the Process again as described under Section 3.02 if the debtor submits the necessary documentation.

If SPf agrees with the debtor's position on the dispute, SPf will determine what actions are necessary to correct the matter and will commence these actions immediately and complete them within 30 workdays. If SPf disagrees with the debtor, SPf will contact the debtor and inform the debtor of SPf's determination. At this time, the debtor will be offered the right to request that SPf review its decision. If the debtor requests it, this review will be completed within five workdays. If, after reviewing its decision, SPf agrees with the debtor, any actions to correct the matter will be commenced immediately and will be completed within 30 workdays.

If the second review by SPf does not support the debtor, SPf will immediately advise the debtor by letter. The letter will include an appeal request form which the debtor must complete and mail back to SPf within 10 workdays in order to obtain

an appeal. If the request is timely mailed, the case will be forwarded to Appeals.

### **.02 Appeals Procedures**

In order for a dispute to reach Appeals under the Bankruptcy Appeals Process, the dispute must have received a second review by SPf under the Bankruptcy Appeals Process (as described in Section 4.01). The second review by SPf must have reached a determination that is adverse to the debtor's interest, and the debtor must have requested Appeals' consideration.

Case processing times by Appeals will be as follows (except as extended by agreement):

- For dischargeability determinations, within 45 workdays of receipt in Appeals
- For all other issues specified in Section 2.02, within 10 workdays of receipt in Appeals.

After reaching a decision, Appeals will send a letter to the debtor describing the decision. The letter will state whether or not Appeals agrees with the debtor's position and will describe any actions that will be taken to correct the matter. Any corrective actions will be commenced by SPf within three workdays after Appeals reaches a decision and will be completed within 30 workdays. In the event of a decision that is adverse to the debtor, no further administrative recourse is available to the debtor through the IRS.

## **SECTION 5. NO USER FEE**

There is no user fee for this Process.

## **SECTION 6. EFFECTIVE DATE**

These procedures are effective for disputes of which SPf is notified during the six months to one-year test period beginning on November 6, 1997, the date this announcement is released to the public. At the end of the test period, the Service will evaluate the Process and determine whether to extend the test or to adopt the Process on a nationwide basis, and whether the Process may consider additional issues.

## **DRAFTING INFORMATION**

The principal author of this announcement is Gary Slayen, analyst for the Office of Field Services, National Office Appeals. For further information regarding this announcement, please contact Mr.

Slayen at (202) 401-6155 (not a toll-free number).

## **Request for Public Comments on Proposals to Modify Filing Requirements for Exempt Organizations Forms 990 and 990-EZ**

### **Announcement 97-115**

The Internal Revenue Service invites comments from interested members of the public on proposals it is considering to modify the requirements for filing Form 990, *Return of Organization Exempt From Income Tax*, and Form 990-EZ, *Short Form Return of Organization Exempt From Income Tax*. The comments will be considered before final decisions on the proposals are made.

Tax-exempt organizations, other than private foundations, are, with certain exceptions for churches and other organizations, required to file Form 990 unless the organization's gross receipts do not normally exceed \$25,000. An organization may file Form 990-EZ instead of Form 990 if its gross receipts during the year were less than \$100,000, and its total assets at the end of the year were less than \$250,000. Among the proposals being considered by the Service is raising the threshold for Form 990 (for example, to \$40,000 or \$100,000), and a commensurate increase in the gross receipts and total asset thresholds for filing Form 990-EZ.

The Service invites comments from tax-exempt organizations, as well as other interested parties such as entities and individuals who use information reported on Form 990 as to how to reduce the burden on tax-exempt organizations while recognizing the continuing need for information as to the existence and operations of such organizations. In addition, the Service invites suggestions for less burdensome alternative methods of periodic reporting by organizations excepted from filing Form 990 that would provide the Service with information necessary to maintain and update computer lists of exempt organizations.

The Service requests that written comments be submitted by February 23, 1998. Send submissions to CP:E:EO:P:1 (Announcement 97-115), Room 6033, Inter-

nal Revenue Service, 1111 Constitution Ave., NW, Washington, DC 20224. Submissions may be hand-delivered between the hours of 8 a.m. and 5 p.m. to CP:E:EO:P:1, (Announcement 97-115), Room 6033, Courier's Desk, Internal Revenue Service, 1111 Constitution Ave., NW,

Washington, DC. Alternatively, parties may submit comments electronically via the Internet by selecting the "Tax Regs in English" option of the IRS Home Page or by submitting comments directly to the IRS Internet site at [http://www.irs.us-treas.gov/prod/tax\\_regs/comments.html](http://www.irs.us-treas.gov/prod/tax_regs/comments.html).

The principal author of this announcement is David Flavin of the Exempt Organizations Division, Projects Branch 1. For further information regarding this announcement contact Mr. Flavin on (202) 622-7922 (not a toll-free call).